

Fundamentals:

Hong Kong stocks erased earlier gains on Thursday as a high-stakes meeting between the Chinese and US state leaders stopped short of generating surprises and the Federal Reserve's hawkish tone tamped down hopes of an interest-rate cut in December.

The Hang Seng Index fell 0.2 per cent to 26,282.69 at the close, reversing a gain of 0.9 per cent that at one point lifted the benchmark to a three-week high. The Hang Seng Tech Index dropped 0.7 per cent. Hong Kong's market was shut for a holiday on Wednesday.

On the mainland, the CSI 300 Index slid 0.8 per cent and the Shanghai Composite Index lost 0.7 per cent.

Sunny Optical Technology Group, which makes camera modules for mobile phones, slumped 4.8 per cent to HK\$76.95 and Budweiser Brewing sank by that much to HK\$8. Biotech firm Wuxi AppTec retreated 3.7 per cent to HK\$108.50 after a major shareholder revealed a plan to sell a stake on the Shanghai exchange. On the positive side, Meituan advanced 2.4 per cent to HK\$102.40 on a plan to sell US\$3 billion of dual-currency notes.

Sell-offs kicked in when more details about the meeting between Chinese President Xi Jinping and his US counterpart Donald Trump emerged.

After the sit-down that lasted about one hour and 40 minutes in Busan, South Korea, Trump said that China would delay a sweeping curb on rare earth exports and resume purchases of American soybeans. Meanwhile, China said the US would extend a pause on so-called reciprocal tariffs by an additional year and refrain from adding more Chinese companies to a blacklist.

Most of the results from the meeting fell within a preliminary agreement reached by negotiators from the two nations earlier this week, which had been well expected and digested by the market.

"We don't see a material reduction in long-term geopolitical risks," said Lorraine Tan, director of equity research at Morningstar. "We think the probability of further decoupling is more likely than not."

She said the main relief was that US tariffs on China rising to 157 per cent were avoided. "However, the markets had already moved on from this expectation," Tan said. "This is one reason why we don't see a significant uptick in the broad market."

On the interest-rate front, Fed Chair Jerome Powell's pushback against a rate reduction in December helped wipe out gains in the S&P 500 index and pushed bond yields higher overnight. Meanwhile, the US central bank trimmed the benchmark borrowing costs by a quarter of a percentage point to lower the policy rate to a range of 3.75 per cent to 4 per cent overnight, a move widely expected by the market. The Hong Kong Monetary Authority followed by cutting the city's base rate by the same amount.

"Short-term pressure on Asian markets is likely, given the rebound in the US dollar and bond yields," said Tai Hui, a strategist at JPMorgan Asset Management. "Tech exporters in Asia feeding into the artificial intelligence investment cycles could be less affected. For China, the onshore market will be influenced by government policy to boost consumption and economic growth."

Other major Asian markets were mixed. Japan's Nikkei 225 gained 0.7 per cent and South Korea's Kospi rose 0.1 per cent, while Australia's S&P/ASX 200 lost 0.5 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT OCT 25	3	26358	26670	26290
H. SENG FUT NOV 25	-48	26328	26705	26156
H. SENG FUT DEC 25	-36	26402	26769	26237
H. SENG FUT JAN 26	3	26358	26670	26290
MINI H. SENG FUT OCT 25	3	26358	26657	26285
MINI H. SENG FUT NOV 25	-48	26328	26705	26157
MINI H. SENG FUT DEC 25	-36	26402	26772	26240
MINI H. SENG FUT MAR 26	3	26358	26657	26285
HSCEI FUT OCT 25	0	9377	9491	9352
HSCEI FUT NOV 25	-25	9372	9510	9307
HSCEI FUT DEC 25	-24	9395	9516	9334
HSCEI FUT JAN 26	0	9377	9491	9352
MINI HSCEI FUT OCT 25	0	9377	9498	9352
MINI HSCEI FUT NOV 25	-25	9372	9508	9308
MINI HSCEI FUT DEC 25	-24	9395	9530	9339
MINI HSCEI FUT MAR 26	0	9377	9498	9352

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	73.2	-1.4	75.35	73
**Tencent Holdings Ltd	651	6	664	645
*HSBC Holdings PLC	108	1.5	109.8	107.5
**China Construction Bank Corp	7.86	-0.04	7.97	7.82
**Ping An Insurance Group	57.1	0.95	58.6	57.1
**Meituan	102.4	2.4	105.3	99.15
*Hong Kong Exchanges & Clearing Ltd	432.4	0	437	429.6
**Alibaba Group Holdings Ltd	172.1	1.1	174.8	169
**Xiaomi Corp	44.16	-0.76	45	43.5
**ICBC	6.05	-0.01	6.11	6.03

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	36.58	-0.18	36.74	35.1
**China Mobile Ltd	85.9	0.35	86.65	85.6
**Bank of China Ltd	4.45	0.01	4.55	4.43
*Techtronic Industries Co Ltd	94.5	-4.7	96.2	93.65
*CK Hutchison Holdings Ltd	51.45	-0.9	52.45	51.2
*Link REIT	41	-0.32	42.2	40.78
*CLP Holding Ltd	66.1	-0.15	66.7	65.75
**Geely Automobile Holdings Ltd	18.77	-0.15	19.27	18.65
**CNOOC Ltd	20.02	0.07	20.2	19.96
**ANTA Sports Products Ltd	81.7	-2.35	82.6	80.85

Global Equity Indices	Close	Change	High	Low
Hang Seng	26282.69	-63.45	26588.89	26138.79
HSCEI	9346.86	-28.93	9473.02	9293.62
Shanghai Comp Index	3986.9	-29.43	4025.705	3984.828
Nikkei 225	51325.6	17.96	51657.28	50972.56
KOSPI	4086.89	5.74	4146.72	4070.79
S&P/ASX200	8885.5	-40.656	8918.5	8876
DJIA	47522.1	-109.88	48014.92	47381.91
S&P 500	6822.34	-68.25	6880.75	6820.69
NASDAQ	23581.1	-377.33	23846.13	23578.47
DAX	24118.9	-5.32	24215.3	24034.75
CAC	8157.29	-0.53	8206.84	8114.74
FTSE100	9760.06	3.92	9763.42	9690.02

Technical Analysis

Mini Hang Seng

1st Resistance:	26753	2nd Resistance:	27149
1st Support:	25963	2nd Support:	25567
MACD:	-8.937		
MACD DIFF:	21.1074		
RSI:	52.914		

Mini Hang Seng China Enterprise

1st Resistance:	9518	2nd Resistance:	9658
1st Support:	9236	2nd Support:	9096
MACD:	1.833		
MACD DIFF:	6.648		
RSI:	51.6948		

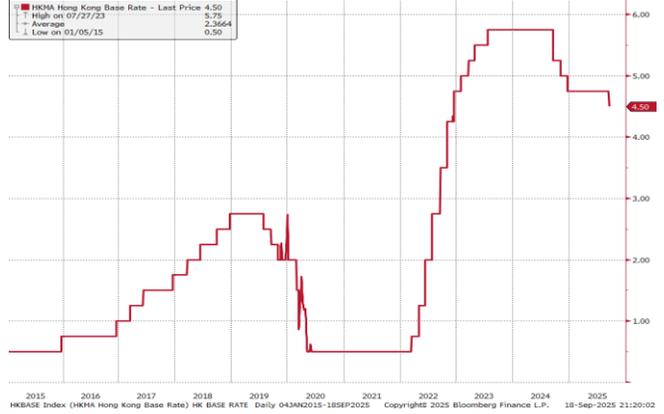
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
10/02/2025 16:30	Retail Sales Value YoY	Aug	2.00%	3.80%	1.80%	--
10/02/2025 16:30	Retail Sales Volume YoY	Aug	1.90%	3.20%	1.00%	0.90%
10/06/2025 08:30	S&P Global Hong Kong PMI	Sep	--	50.4	50.7	--
10/20/2025 16:30	Unemployment Rate SA	Sep	3.70%	3.90%	3.70%	--
10/23/2025 16:30	CPI Composite YoY	Sep	1.10%	1.10%	1.10%	--
10/31/2025 16:30	Retail Sales Value YoY	Sep	--	--	--	--
10/31/2025 16:30	Retail Sales Volume YoY	Sep	--	--	--	--
10/31/2025 16:30	Money Supply M1 HKD YoY	Sep	--	--	16.20%	--
10/31/2025 16:30	Money Supply M2 HKD YoY	Sep	--	--	4.00%	--
10/31/2025 16:30	Money Supply M3 HKD YoY	Sep	--	--	4.00%	--
10/31/2025 16:30	GDP SA QoQ	3Q A	--	--	0.40%	--
10/31/2025 16:30	GDP YoY	3Q A	--	--	3.10%	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
10/15/2025-10/18/2025	FDI YTD YoY CNY	Sep	--	-10.40%	-12.70%	--
10/20/2025 10:00	GDP YoY	3Q	4.70%	4.80%	5.20%	--
10/20/2025 10:00	GDP YTD YoY	3Q	5.10%	5.20%	5.30%	--
10/20/2025 10:00	GDP SA QoQ	3Q	0.80%	1.10%	1.10%	1.00%
10/20/2025 10:00	Retail Sales YoY	Sep	3.00%	3.00%	3.40%	--
10/20/2025 10:00	Retail Sales YTD YoY	Sep	4.40%	4.50%	4.60%	--
10/31/2025 09:30	Manufacturing PMI	Oct	49.6	--	49.8	--
10/31/2025 09:30	Non-manufacturing PMI	Oct	50.2	--	50	--
10/31/2025 09:30	Composite PMI	Oct	--	--	50.6	--

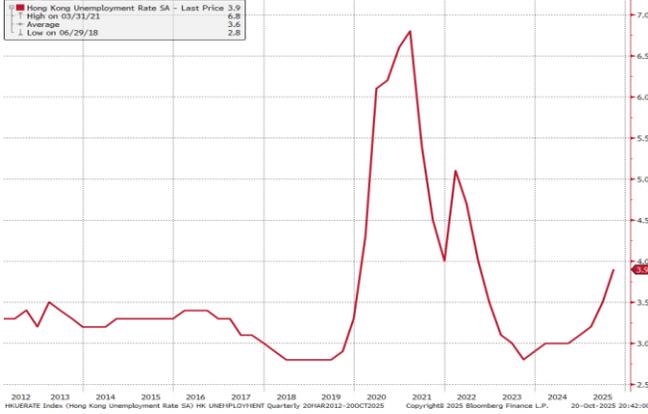
Hong Kong GDP Q on Q



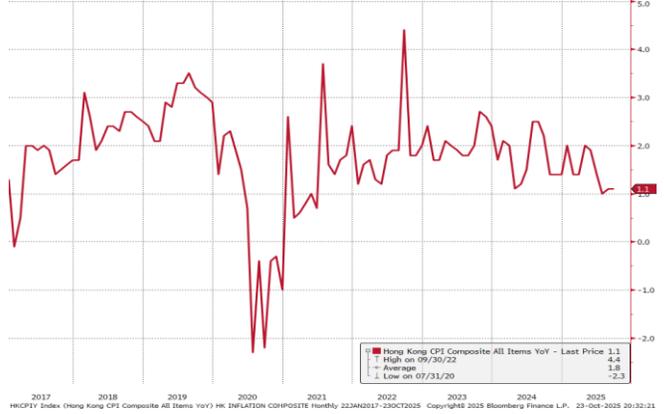
Hong Kong Base Interest Rate



Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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